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7 February 2008

Atlantic Airways Stock Exchange Announcement 4/2008

Atlantic Airways signs contract with SAS

Atlantic Airways has signed a contract with SAS today regarding wet lease of three aircraft commencing end of March 2008 and expiring between end of March 2009 and end of May 2009. The three aircraft will operate schedules from Copenhagen to destinations such as London City, Birmingham and Stavanger. Atlantic Airways has supported SAS since October 2007 with up to two aircraft on wet lease. The new contract can thus be considered an extension and expansion of the current contract.

It has been a precondition for this contract that the parties have signed a secondment contract whereby Atlantic Airways leases pilots from SAS during the contract period. Atlantic Airways has also extended the lease of two aircraft to meet the current demand for wet lease and charter.

This contract secures a sustainable utilisation of Atlantic Airways' charter capacity during 2008 and first half of 2009. The contract will have a positive impact upon the financial outlook for 2008.

CEO Magni Arge comments: "This is the largest single contract Atlantic Airways has signed so far. But it is also of great value to our airline working for a recognised Star Alliance member as SAS. Our experience working with SAS has indeed been positive and we look forward taking this cooperation further into the future."

Atlantic Airways was established in 1987 and has grown steadily since then. Operations started cautiously in March 1988, with a single aircraft and just one route, between the Faroe Islands and Copenhagen. Atlantic Airways has gradually expanded and established new income streams, ensuring the company a stable economic base. The main activity consists of scheduled service with Faroes as a cornerstone, charter operations in Europe and helicopter operations in Faroese and North Sea waters. Atlantic Airways currently operates seven jet aircrafts and three medium size helicopters.

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